ASSEMBLY BILL 516 (CHIU)
ELIMINATING POVERTY TOWS

SUMMARY

AB 516 prevents lower-income Californians from permanently losing their cars because of towing conducted for non-public safety reasons by local governments seeking to collect minor debts.

BACKGROUND

Discovering your car is missing from a parking place is incredibly stressful. But while having your car stolen is extremely distressing, for many Californians, finding that your car has been towed can be just as much - if not more - of a nightmare.

Tens of thousands of middle class and lower-income vehicle owners suffer devastating economic consequences every year in California when their cars are towed and impounded. Cities and counties across California typically require owners to pay, at minimum, $500 to retrieve a car from a tow yard. If the car was towed because the owner couldn't afford to pay parking tickets or vehicle registration fees, the owner must first pay off these tickets or fees, any late fees, and often a release fee before they pay the tow yard's fees, which can substantially increase the total cost.

The car owner must also pay the tow yard's daily storage and other fees. For lower-income individuals who need time to secure this large sum, daily storage fees can easily balloon the cost of retrieving a car to $1,500 or more, which is insurmountable for too many. For example, a Californian making minimum wage makes approximately $96 per day, meaning the cost of a tow exceeds two weeks' pay.

When a car owner can't afford to pay all the fines and fees associated with their tow, the city and tow company will try to recover the costs by selling the car in a lien sale. Everyone loses in that situation. The car owner loses their vehicle forever, leading to a cascade of negative repercussions and a push even deeper into poverty. Tow companies lose as well, as the revenue from a lien sale is unlikely to cover the cost of towing, storing, and the sale. And cities fail to recover the debt they sought to collect.

THE PROBLEM

Towing should be conducted to improve public safety, not to punish people by collecting small debts. For example, tows should be done to ensure proper traffic flow -- such as when a car blocks an intersection, poses a danger to other cars or pedestrians, or blocks access to fire hydrants or bus zones -- or for critical public safety reason, such as if a person drives impaired.

Conversely, the economic consequences of a tow are especially punitive when a car is towed to collect small debts. According to a March 2019 report by legal service and community organizations, *Towed Into Debt: How Towing Practices in California Punish Poor People*, there are three "poverty-related tows" used by local governments to collect small debts that have disproportionately impacted middle- and lower-income Californians:

- Tows for 5 or more unpaid parking tickets
- Tows where the car registration is more than 6 months out of date
- Tows where a car has been legally parked for 72 hours on a public street without being moved

People who have unpaid parking tickets, lapsed vehicle registration, or 72-hour parking violations are far more likely to be low-income. These circumstances are usually avoidable for people who have enough income to easily pay fines and fees, or can pay for private parking. If a person lacks sufficient income to pay outstanding tickets and lapsed registration, towing a vehicle only compounds an existing untenable financial situation.

THE SOLUTION

AB 516 addresses this issue by eliminating the three types of "poverty-related tow" previously mentioned. AB 516 leaves intact over two dozen existing authorizations for towing.

California's existing towing practices don't work for anybody. Lower income people suffer a devastating loss when they permanently lose their cars and their ability to get to work, school, and the doctor or to their job. Tow yards lose money when unclaimed cars have

to be sold at lien sales. Local governments fail to recover the underlying debt.

SUPPORT

ACLU of California (Co-Sponsor)
Lawyers' Committee for Civil Rights of the San Francisco Bay Area (Co-Sponsor)
Western Center on Law and Poverty (Co-Sponsor)

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